# African LDCs: a taxonomy that defines identity but falls short on graduation

**Abstract**

The Least Developed Countries are a special category of countries identified with severe structural handicaps by the Committee on Development Policy and adhere to LDC specific programmes of action. By 2021 at least 50 percent of LDCs should graduate out of their category yet since 1971 only two of the 34 African LDCs have graduated. At the same time, the endorsement of Agenda 2030 Sustainable Development Goals and, in the case for African LDCs, and of Africa Vision 2063 has reinforced a commitment to embark on a structural transformative agenda. It is the level of structural features that distinguish African LDCs from the majority of African countries. Preliminary projections on successful African LDCs graduates indicate that the majority will do so through one of the three criteria- the human asset index. The similarity between the previous Millennium Development Goals and the human asset criteria point towards the experience of national planning since 2005 in accelerating towards social goals. The specific LDC programmes and progress towards graduation have not followed a similar path of anchoring within national plans. The deferential role played by the LDC specific programme to the global agendas responds to the challenge of identity rather than graduation and transformation and can be expedited through lessons learnt from the MDG-Based planning period.

**Introduction**

Least Developed countries (LDCs) are by definition low income countries with severe structural handicaps that impede sustainable development. In 1971 at the request of the General Assembly the then Committee of Development Planning, since 1998 termed the Committee of Development Policy (CDP), in collaboration with other UN bodies identified the criteria pertaining to the category. The first set were a low level of GDP per capita of $100, low level of industrialization expressed as a share of manufacturing value in GDP of 10 percent or less and inadequate human resources measured as an adult literacy rate of 10 percent or less (Kawamura 2014). These criteria have evolved since the 70s thanks to the work of the CDP. The evolution of the CDP criteria, whilst important in refining and defining the status of LDCs, crystalized their category in a direction of flexible consistency (Guillamont 2009). Indeed, the introduction of graduation of LDCs in the 1990s and 2000s was a step towards a more propitious strategy of exiting structural handicaps, but at the same time a resolute move rather than a final destination. Since 1971 up to 2011 three countries Botswana, Cabo Verde, and Maldives graduated out of the category, only a 6 percent success rate.

The LDCs are governed and monitored by 10 year specific programmes of action that have also evolved over time. The latest and current Istanbul Programme of Action (2011-2020) (IPoA) was the first programme that set a target of at least 50 percent of LDCs to graduate at the end of the period review. The IPoA inter-governmental process occurred during a concurrent policy debate on the progress achieved on the then Millennium Development Goals (MDGs) and the initial inputs to the new development agenda. The latter originally formulated as the post 2015 agenda held greater resonance in Africa due to the concomitant presence of the early stages of the Africa Common Position 2015 and Africa Vision 2063, both of which adhered to a structural transformation agenda for the continent[1]. Furthermore, the IPoA and the graduation criteria developed by the CDP seemed to achieve some form of synergy of exiting structural handicaps featuring in LDCs and in addition mirror the on-going policy discourse of structural transformation. In particular, in the IPoA the identification story line seems to give way to more permanent solutions, indeed the declaration emanating from the Istanbul Programme

[1] The High level Panel of Eminent Persons that started their mandate for delineating the post 2015 development agenda at the global level and the Common African Position on post 2015 agenda had started their mandate at approximately the same time (See UN 2012 and African Union 2014).

of Action states "……finding lasting solutions of the least developed countries…" and that a " more strategic ,comprehensive and sustained approach focused and realistic commitments is required to bring about structural transformation in LDCs…" (UNOHRLLS 2011 para 1 of Declaration and paragraph 5 of Programme of Action).

In the African continent, out of fifty-five countries 34 are LDCs yet the larger policy debate on a paradigm shift towards structural transformation in the new global and regional agendas was a homogenous approach indistinctive of the countries' categorization. In short, the similar but non-identical nature of the more comprehensive global and regional agendas and the IPoA were conducive towards a more homogenous policy framework for both African LDCs and non-LDCs. In this regard, both the design of Agenda 2030 and Sustainable Development Goals and Africa Vision 2063 built on the progress achieved in the previous MDGs and identified gaps that pointed towards an inclusive and sustainable economic growth path. An important feature in this design of development agendas was the role of national planning in accelerating progress towards the MDG and how this can be harnessed for the new agendas[2].

The quasi-planning process that emerged in the late 1990s with the poverty Reduction strategy Papers (PRSPs) was recognized in the Outcome Document of Mid-Term review of the MDGs,2005 that urged low-income countries to anchor global targets and goals in national plans (Ali 2013). This was based on two ideas. First an acknowledgment of how policies, processes, and relations were structured, organized, and refined to achieve goals was critical (See ECA et al 2010; ECA et al 2015). Second, how mainstreaming global goals within national plans increases ownership which in turn is conducive to accelerated progress. Indeed, preliminary data show that progress towards some of the goals did accelerate in African countries after the mainstreaming of the MDGs in national policy frameworks (Keita et al 2016).

The various programmes of action for LDCs and in particular for African LDCs did not follow the same path of emphasizing planning as a policy instrument to achieve goals, targets and indicators specific to the category. There is reference to some mainstreaming of the IPoA in the national country reports but the process seems to follow the similar goals and targets of the MDGs rather than the specificity of the

[2] See ECA 2014. The Ministerial Statement at the African Conference of Finance, Economic development and finance to synergize both agendas and mainstream into national planning processes has been part of the implementation agenda (See E/ECA/CM/49/3 AU/STC/FMEPI/Min/Res/3(II)

LDCs[3]plan of action. Is this because the IPoA is similar but not identical to the global and continental agenda and therefore planning for the latter is equivalent for planning for LDC specificity? Does it reflect the marginal role of LDCs and their programmes of action within the more comprehensive global and regional agendas rather than policy action towards graduation? This paper provides some answers to the above and proposes how the use of national plans to better align the IPoA goals and targets does assist in improved expectations of graduation particularly human capital accumulation for African LDCs.

The structure of this paper will take the following format. Section I will look at the history of the work of the CDP and the programmes of action and their contribution to the political economy of graduation including the use of the planning instrument to achieve global goals with country examples. Section II will using secondary data to assess progress towards the goals and targets of the programmes of action and towards graduation threshold values indicating those African LDCs that have placed planning as an organizational and coordination tool. Section III will try to elicit some policy considerations on the centrality of planning for graduating prospects of African LDCs.

**Section I**

The chequered history of the UN inspired LDCs and African LDCs for that matter can be divided into two main threads. In 1971 the United Nations identified low income countries with severe structural handicaps and low GDP per capita and inadequate human resource endowments as a separate entity within the developing world. Since 1971, the CDP within the United Nations Department of Economic and Social Affairs, has refined and defined the criteria for inclusion within the LDC category at regular intervals. An important complementary feature was that special international measures for the LDC category was instrumental in providing incentives to member states to remain within the same category. The benefits and special differential treatment of the LDCs can be summed up as follows: (i) Official Development Assistance commitment of 0.15 percent of Gross National Product to LDCs. This target was re-confirmed in the Addis Ababa Action Plan on financing for development; (ii) generalized system of preferences and trade preferences; (iii) special treatment regarding WTO obligations and accession; (iv) financial support provided by the UN for LDC representatives to attend meetings; (v) entitlement to 90 percent discount in LDC contributions to UN to UN peacekeeping and LDC contribution to overall UN budget set at 0.01 percent of total budget (UNCTAD 2016).

[3] See http://www.ipoareview.org/national-reports/ containing 23 African LDC national reports

During the late 1970s and 80s the design of the criteria of inclusion within the LDC category was the main focus. The inclusion criteria, a combination of relative and absolute indices has remained consistent over time and centered on specific features of poverty, lack of economic diversification and structural handicaps. It was not until 1980 and 1981 that official re-recognition by the General Assembly and the first substantial specific programme of action in Paris respectively emerged. The early debates on the establishment of the LDC category was based on two inter-related factors. First, the regional aspect with the initial list of 25 countries LDCs but only one within the Americas-Haiti indicating a regional rather than a global category would be more appropriate. Second, a proposal of stages of development that placed LDCs at a lower level of development than other developing countries which was an embryonic form of the concept of graduation from LDCs to developing countries. Both these ideas were rejected and the main thread remained to maintain least developed countries as a global category and assure their status (Guillamont 2009). Also importantly the categorization was critical in matching targeted international support measures. However, this categorization process was not recognized by the Bretton Woods institutions yet catalyzed a proliferation of categories in the World Bank among others such as low-income countries and low-income countries under stress (Fialho et al 2017). Whilst the categorization process was aimed at providing specific attention the resultant fragmentation and complexity of policy responses to specific developing countries did generate problems and a certain cost of adherence to sometimes competing programmes by beneficiaries (Alonso 2014; Vazquez et al 2015).

The second thread was during the latter half of the 1990s and the early part of the 2000s. The changes were of a two-fold nature. On the criteria themselves in 1991 changes to inclusion into the LDC category were introduced with more composite features for example adult literacy was replaced by the Augmented Physical quality of life (APQLI) that included both education and health variables. Similarly, the manufacturing in GDP was replaced with an Economic Diversification Index (EDI) that combined export concentration index, share of employment in manufacturing and per-capita electricity consumption (CDP 2015, Guillamont 2009). In 1999, the EDI was replaced with the Economic Vulnerability Index (EVI) introducing the concept of vulnerability such as instability of agricultural production and exports also included exogenous shocks such as climate change. The EVI was again modified in 2005 and 2011. In 2005 remoteness and homelessness due to natural disasters were added to as features of the EVI and in 2011 a broader variable of homelessness due to natural disasters was replaced by victims of natural disasters and a share of population in low lying coastal areas was added to better capture possible effects to climate change (CDP 2015). The introduction of graduation and its relationship to inclusion was also expressed in mathematical terms that have changed over time. In 1999, using a reference group the relationship between inclusion of LDCs and graduating out of the category was set at a fixed percentage-15percent- and this these were further modified in 2002 with the relationship set at 15-20 percent for the GNI margin , while those for HAI and EVI reduced from 15 to 10 percent (UNCTAD 2016).

An important digression on the concept of vulnerability is warranted due to its applicability not only to African LDCs but most of African countries. The rationale was the introduction of qualitative measures that gauged susceptibility of a LDC notwithstanding quantitative criteria providing evidence of graduation. In short, the classification of African LDCs indicated vulnerability as a key feature of the analytical landscape of African countries that has emerged in the post 2015 policy discourse and the need for tackling structural causes of development (See Meier 2001, Krugman 1997). Finally, the vulnerability concept was an important addition not only in re-shifting from a more positive diversification idea to a structural parameter, but also used as a complementary study to graduation prospects- country vulnerability profile when graduation happened. It was in relation to this idea that "smooth transition" for graduating countries first introduced in 2000 resulted in an important resolution in 2012 reiterating a similar resolution of 2004 to assist countries eligible for graduation with further assistance and the application of special measures ( UN A/C.2/67/L.51 and 59/2009). So reiterating two concepts that have permeated the policy debate on LDCs, the "smooth transition" was somewhat in response to the reluctance of countries to accept graduation possibly due to the end of special arrangements of their category. Second, as was said above, the idea that graduation was a resolute step in the right direction, yet confirming the homogenous nature of African countries and LDCs at different stages of development and structural features.

Since 2015 the current criteria are consistent with the historical development of the three areas of income, human capital and economic features. The Human Asset Index comprises 2 health and nutrition variables- and 2 education variables. The GNI is expressed as a three-year average. The Human Asset Index (HAI) comprises 2 health variables and 2 education variables. The Economic Vulnerability index (EVI) designed to capture relative shocks of a LDC development has 2 sub-indices an exposure and shock index[4]. The exposure index is in turn composed of 5 variables, whilst the shock index is composed of three variables. The mechanism still pertaining to the inclusion within the LDC category is that original raw values of countries are transformed into indices ranging from 0 to 100, using minimum and maximum values derived from a set of developing countries. The graduation eligibility is established by CDP at the triennial review and LDCs must reach at least two of the criteria or if LDC GNI per capita is at least double the threshold computed. An important aspect is that the HAI and EVI are relative thresholds currently designed by the quartile value of the reference group whilst the GNI per capita is an absolute value.

Secondly, in terms of procedure and inter-governmental processes a number of interesting changes were introduced. In 1991, there was a shift towards a more technocratic approach to inclusion with a country being categorized as a LDC through the CDP proposing to the General Assembly through ECOSOC whilst previously it was on the country's direct request. This procedure was formalized through the introduction of triannual reviews of lists of LDCs. Most importantly, the exit from the list of LDCs-graduation-emerged. The modalities for graduation have also changed since 1991, when first introduced. The indicator thresholds for graduation were higher than inclusion; two of the three criteria-human assets, economic vulnerability and GNI per capita- had to be met in at least two of the review periods or the GNI should be at least double the threshold value. The idea for a transition period was the rationale for a two period review, but the overall thrust seems to lie in the difficult of graduation and the importance of identification of the LDC category (Guillamont 2009). An important point is that in 2001 with the Brussels Programme of Action the new Office of the High representative for LDCs, Landlocked and Small Island States (OHRLLS) was established. The mandate was to monitor the progress towards the plans of action and offer a forum for intergovernmental debate on LDCs. The concomitant presence of two Divisions with two different mandates- OHRLLS monitoring and analyzing LDC progress towards various programmes of action and the CDP setting criteria for inclusion and graduation further

[4] The human asset Index is percentage of the population undernourished; under five mortality rate gross secondary school enrolment ratio and adult literacy rates- all weighted at 25 percent. The EVI is composed of a shock index of victims of natural disasters; instability of agricultural production and instability of exports of goods and services with weighting set at one eight for the first two and 25 percent (one fourth for the victims. The exposure index set at population size, remoteness, merchandise concentration share of agriculture, forestry and fisheries in GDP and share of population living in low coastal areas with varying weights of one eight for size remoteness and share of population living in coastal areas and one sixteenth for export concentration and share of agriculture (UNCTAD 2016).

complicated by UNCTAD providing technical assistance resulted in a complexity of mandates but equally importantly a vested interest in their continued categorization (Fialho 2013).

The various programmes of action for LDCs have complemented the various iterations of the inclusion and graduation criteria. It was not until the fifth UNCTAD meeting held in Manila in 1979 that LDCs were clearly recognized. Furthermore it was not until 1981 that the first Programme of Action for LDCs was enacted and special measures, mentioned above, were proposed. The 1990 Programme of Action reiterated the special measures applicable whilst the 2001 Brussels Programme of Action did propose the establishment of the OHRLLS. These three specific programmes were in line with the identification process of LDCs and it was not until the current Istanbul programme of action that a recognition of remedial policy for exiting the category occurred. As was said above it is also reflected in policy discourse occurring at that time of a switch from the MDGs towards structural transformation inspired SDGs. The history of ensuring identification, consistency and adapting to changing socio-economic conditions within the LDC category itself seems to have been the policy interest but also the political interest of continuing categorization. In this regard, policy prescriptions customized to the overall status of the LDCs and an entry point towards donor attention becomes paramount (Fialho 2015). In addition, the rules-based approach of a specific category of countries matched by development assistance whilst assisting in prioritization introduces a level of sometimes competing agendas and discretionary measures on the part of the development community (Frey 2008). The positive aspects of developing categorization mostly driven by specific development assistance to that said category must be confronted with empirical observations (See next section). In the case of African LDCs, this has hardly been the case with Official development Assistance (ODA) for example where the average grew by 2.1 percent yearly from 2005-2013 but by 4.2 percent yearly for all recipient countries (OECD 2014).

The lack of anchoring the IPoA goals and targets in national planning stems from this context. The United Nations Organizations involved-OHRLLS, CDP and UNCTAD- would have an interest in the continuation of the LDC category to match specific programmes and mandates but at the same time perpetuating presence within the category rather than graduating out. In addition, the concomitant presence of global, regional and specific agendas on structural transformation renders the one considered to be the most important and therefore carrying the most “political weight” to become the priority by developing countries and LDCs alike. The competing agendas clearly emerges in mainstreaming actions within national planning in adherence to the global agendas.

Development planning predates African independence but remains a consistent feature of the policy landscape on the continent, with a short interlude during the Structural Adjustment Programmes of the late 70s and 80s. The role of development planning in Africa has evolved over time influenced by different development theories (see Ali 2011). Although differing in emphasis on breadth and scope of planning the overall construct of planning was based on markets being permeated by asymmetric information and imperfections that did not provide correct signaling for resource allocation. This was particularly important for the costing of public goods and equity considerations. Furthermore, investment project decisions were not only based on partial productivity gains but were also considered within larger development outcomes. Finally, coordination and consistency across sectors was considered critical in achieving developing goals.

An interesting observation that does emerge from the early stages of development planning is the pace of structural transformation that did occur. The shift from low productivity jobs to higher productivity employment did result during the post -independence period more than it did during the SAP period (See ECA 2015). The policy regime then prevailing was important in the use of aggregate, sectoral and project techniques anchored within a national planning framework that sought visions of economic development and well being as complimentary to political independence.

The short period of Structural Adjustment Programmes was succeeded by what has been termed the quasi-planning period (See Ali 2011). The Poverty Reduction Strategy Papers initiated in 1999 re-inserted largely to ensure commensurate improvements in poverty and its correlates from a more prudent macroeconomic management. Indeed, the essential features was the stability of the macroeconomic stability, the appropriate choice of fiscal policies, and the credibility of a financing plan of development projects. The operationalization of this scheme would be the identification of medium and long term goals for poverty reduction with realistic indicators and appropriate public actions to that effect (IMF 2001). The quasi-planning period was extended to the Millennium Development Goals (MDGs) in the same vein. In 2005 the United Nations Outcome Document of the mid-term review of the MDGs urged low-income countries to anchor the MDGs in their national plans/poverty reduction strategies. The preliminary figures available have shown that progress towards the MDGs in African LDCs did accelerate post 2005 (Keita et al 2016).

The placing of Programmes of Action for LDCs not following a similar path is rather intriguing. A quick glance at the national reports by African LDCs demonstrates that most have shown a concerted effort towards planning as a coordinating policy mechanism. However, the adherence to planning, unlike the previous MDG framework, does not generally utilize the targets to assess progress towards the Programmes of Action for LDCs. The practical policy inference seems to indicate that increasing attention was paid to the more general framework rather than the specific LDC programme. This could be caused by the combination of two interrelated factors. Firstly, at the national level LDCs programmes were subsumed under more comprehensive global agendas thus reiterating in part a reluctance to exit by LDCs themselves to exit the category (Fialho 2015). Secondly, closely linked to this was that the international community and the African LDCs themselves had an interest to focus on special measures for LDCs including aid targets and trade support yet has been sub-optimal.

The African countries that had introduced MDG based planning after 2005 were over 45 (ECA et al 2009). Within the overall MDG based planning African countries preliminary data on 12 African countries, 7 of which are LDCs, provide some interesting results[5] (see next section). There was a general tendency for countries to accelerate progress after 2005 towards the social goals of the MDGs. The year does coincide with the outcome Document of the Mid-Term Review of MDGs 2005 that urged countries to anchor the global goals in national planning. Contextually, this was borne out by the relatively good economic performance of African LDCs during the period 2004-2008. This is not unexpected as the correlation between GNI per capita and HAI variables is much higher than GNI per capita and EVI or HAI and EVI (Kawamura 2014).

The performance of the African LDCs towards graduation particularly towards the human asset variables has been substantial. This seems to confirm the anchoring of the MDGs within national plans and the similarity of the LDC specific human asset variables to the MDGs themselves. This together with a relatively good economic growth performance should augur well for graduation, yet this progress remains constrained by relative changes in threshold values for graduation.

## Section II: Performance of the African LDCs

In 2011, the IPoA however did mark a turning point of sorts. There was an on-going policy discourse at the time on an African development agenda post 2015 of tackling structural causes of development. This resulted in a less tenuous link between the IPoA and graduation. Indeed, the upsurge since 2011 for

[5] In 2011, ECA commissioned 12 country studies on MDG Based Planning namely: Benin, Cameroon, Cote d’Ivoire, Democratic republic of Congo, Egypt, Ethiopia, Ghana, Mali, Morocco, Nigeria, Sudan, Tanzania.

graduation on LDCs and some African LDCs reflect this stance. Table 1 shows the eligibility of the African LDCs in 2015. The thresholds for graduation established in 2015 by the CDP were $1,242 ($2484 for double GDP income threshold eligibility); Human Asset Index: 66 or above and Economic Vulnerability Index 32 or below (ECA 2015). The relative good economic performance of African LDCs driven by oil and commodity prices prior to the onset of the financial crisis of 2008 and the relative small population of Equatorial Guinea and Angola has resulted in high GNI per capita. Sao Tome et Principe on the other hand has closely followed the footsteps of Cabo Verde that graduated in 2007, wherein a policy focus on improving human capital has resulted in these small island states to reach the HAI threshold( ECA 2015).

**Table 1: African LDCs eligible for graduation**

| ***African LDC*** | ***Gross National Income ($)*** | ***Human asset Index*** | ***Economic vulnerability Index*** | ***Eligibility*** |
|---|---|---|---|---|
| Sao Tome and Principe | 1431 | 77.4 | 39.1 | Gross national Income & Human Asset Index |
| Equatorial Guinea | 4518 | 41.9 | 39.5 | Gross national Income |
| Angola | 16,089 | 54.8 | 39.5 | Gross National Income |

*Source*: CDP 2015

The progress towards graduation in African LDCs seems to have had three distinct features. From 2001 there are two African LDCs are either slated for graduation for the income only criteria without adequate progress in the Human Asset Index (HAI) and the Economic Vulnerability Index (EVI)-Equatorial Guinea and Angola. A second observation of the African LDC identified for graduation mirrors the previous African graduate Cabo Verde with distinct geographical features - both Cabo Verde that obtained graduation status in 2007 and Sao Tome and Principe first scheduled in 2015 are Small Island Developing States (SIDs) another category of LDCs. The third and more interestingly for this paper that both have or will graduate on the threshold values of income and HAI. The MDGs and HAI and some of the aspects of the IPoA have in common similar social goals and targets and that progress towards the global framework means progress towards LDC specific action plan and higher probability of achieving graduation thresholds. Finally, besides the GNI and HAI linkage mentioned above the education and health variables as component parts of the HAI are much easier to policy intervention than the structural features of export concentration or agricultural instability.

Even more interesting at this stage is the projections made after the IPoA deadline of 2021 when at least half of the LDCs should graduate. A number of recent studies have estimated how many LDCs will graduate from their status by 2021 and beyond. Their differing methodologies does not allow a comparative assessment but a few points do emerge that complement the role of planning in this regard. The 2016 UNCTAD report projects that by 2024, that is the first triannual review after the IPoA deadline sixteen LDCs are likely to graduate but only four from Africa. But what is remarkable is the vast majority would graduate based on the combination of the HAI and income and only one of the African LDCs-Djibouti- would also reach the EVI by 2024 (UNCTAD 2016). There is a more pessimistic picture which asserts that given the relative values of graduation criteria of HAI and EVI will have little effect of effective graduation except through the improvement in income growth (Guillamont & Drabo 2013). A similar conclusion emerges that 50 percent of LDCs graduating by 2021 is highly unlikely and that the graduation criteria, given their relative value, are generally not conducive to emergence out of the category (Kawamura 2014).

The economic performance of African LDCs provides an interesting context to graduation prospects and progress towards IPoA goals. First of all e African LDCs economic performance has posted variations across the recent years and across countries (See Table 2). There was a general tendency following price commodity booms that occurred between 2004-2008 when African LDCs benefited and the average growth rate was 7 percent and above (UN 2016). The global financial crisis of 2008 had a negative effect on growth rates, however remaining at moderately high levels since 2010. Furthermore, in 2016-2017 the estimated growth rate of a number of African LDCs[6] is to achieve the 7 percent growth rate. However, on average except the commodity induced growth spell of 2004-2008 the average since then has not achieved the targeted 7 percent of both global and LDC specific agendas.

[6] Ethiopia, Rwanda and Tanzania are expected to achieve more than the targeted 7 percent in 2016-2017 (UN 2017).

**Table 2: Economic growth of African LDCs**

| Years | 2004-2008 | 2010 | 2011 | 2012 | 2013 | 2014 |
|---|---|---|---|---|---|---|
| Average growth (%) | 7 | 5.7 | 4.7 | 4.8 | 5.7 | 5.4 |

*Source:* UNDESA 2016

The variation in African LDCs economic performance over time, although on aggregate moderately positive, indicates the overall vulnerability to exogenous factors. The sustained positive economic performance over time has not had commensurate drops in poverty levels which stood at 55 percent living below the $1.90 per day in 2011-2012 (expressed in 2011 PPP terms). This has been acknowledged to some degree with the need for specific aid targets for LDCs, as was said above of 0.15-0.2 of GNI of developed countries. The production structure of African countries in general and LDCs in particular demonstrate an enclave economy of primary commodities of a capital intensive nature that creates few employment opportunities and export trade has remained confined to commodities. Indeed, exports of primary commodities, precious stones and non-monetary gold has remained at 93.1 percent of all exports from 2010-2014 (UN 2016). While this is a general tendency for African countries to be described in this fashion, in African LDCs this takes on a more acute note and reiterates, as was said above, the concept of a lower stage of development from other African countries rather than a category .

The specific categorization of LDCs was also based on preferential trade arrangements. The access of duty-free goods of African LDCs has remained relatively flat, with less than a 1 percent increase between 2010 and 2011 (UN 2014). The progress to achieve duty-free quota and trade preferential treatment remains dependent on sector specificity yet the core export concentration of African LDCs of oil and minerals preference margins are generally restricted. Equally important the preference of at least 97 percent of products originating from the LDCs has not been binding globally and unilateral agreements have been made for example the African Growth and opportunity Act (AGOA) increasing the unpredicatibility of such schemes for LDCs themselves. Finally, the importance of the non- tariff barriers has grown in importance and placed LDCs and African LDCs at a disadvantage in terms of compliance and supply side challenges (UNCTAD 2016; ECA 2013).

A specificity of the LDC categorization has been the Official Development Assistance flows. In 1981 the establishment of a target of ODA at 0.15 percent of donors GNP to be increased to 0.2 percent in the second half of the same decade. Since that time the target share of ODA has remained constant at 0.15-0.2 percent of GNP but implementation has fallen far short of the targeted figure. While net ODA disbursements from the DAC countries to LDCs has increased over the period 1990-2014, amounting to approximately $26.2 billion in 2014 at current prices, the 2014 total is significantly lower, by $3.7 billion, from the 2013 level (ECA 2015). A similar downward trend in the ODA disbursements is observed for African LDCs. During the period 2005-2011 the ODA towards African LDCs increased by a mere 2.1 percent but more than double at 5.4 percent to all LDCs (ECA 2014). An interesting point that emerges from the ODA data and graduating African LDCs does indicate some commonalities. The ODA allocation to economic infrastructure and productive sectors was 34.5 percent of total in Cabo Verde over the period 2005-2007 substantially higher than the average for LDCs set at 27.4 percent (UNCTAD 2016). However, social infrastructure has remained the highest proportion of aid flows in both graduating and non-graduating African LDCs, an important point in contributing to improvements in the social features of the MDGs, similar goals in the IPoA and the HAI criteria. Untied aid as declared by the Paris declaration should allow better alignment to national objectives and although only indicative 7 African LDCs in 2012 in 7 African LDCs, posted untied aid at less than 90 percent of total (OECD 2008).

The complete review of the international support measures applicable to African LDCs is beyond the scope of this paper however a number of aspects do emerge. The distinction between commitment and effective use on trade and ODA is critical in African LDCs. ODA flows have not achieved the commitment made of 0.15 to 0.2 percent of GNP notwithstanding its reiteration in various global agendas. The specific trade arrangements have not been used effectively by African LDCs in pursuit of graduation or overall development. It is important to note that one critical reason identified in the sub-optimal use of the international support measures is that institutional capacities and national ownership of development strategies of African LDCs are low (UNCTAD 2016). But equally important, the rationale for the LDC categorization through targeting assistance to their specificity yet its effective underutilization seems to reflect the lack of category specific policy priorities of both LDCs themselves and the international community.

The Human Asset Index that ascertains the human development aspect of LDCs is composed of 2 health related and 2 education related variables. The components are the percentage of the population undernourished and under five mortality, identical to the MDGs. The education variables are gross secondary enrolment ratios and adult literacy rates, very similar to the MDGs. In LDCs the original raw values are transformed into indices and standardized with each of the variables having an equal weight. The computation of the HAI is relative to a reference group and changes every three year review thus rendering comparisons impossible. However in this paper the progress of the raw values, rather than the indices, against other African countries and compared to the MDGs is being used.

A comparison between African countries and African LDCs points towards some interesting aspects. Under five mortality rates in the Africa region witnessed unprecedented declines in child mortality during the period 1990-2015. The under-five mortality rate in Sub-Saharan Africa declined from 180 deaths per 1,000 live births in 1990 to 83 per 1,000 in 2015, with the greatest decline occurring in the period 2005-2010 (ECA 2016). In African LDCs a significant drop was registered from 129 deaths per 1,000 live births in 2005 to 89 in 2013(UN 2016). Malnutrition in children under five in African LDCs dropped by a mere 6.4 percent between 2000 and 2014 whilst in African countries the drop was more than double at 14.3 percent over the same period (UN 2016, ECA 2015). First of all, there is a general tendency for progress rates between African LDCs and Africa as an average to be rather similar. This seems to vindicate the stages of development postulate mentioned above between different phases rather than categories. Second of all, methodologically the 34 African LDCs do make up a large proportion of the 55 African countries and therefore simple aggregation would give similar figures of human development. Finally, the distance covered observed becomes more significant for African countries and African LDCs given their initial (1990) status.

The technique of measuring rates of change rather than distance from targets in human development outcomes closely follows the methodology developed by Furtado and Parr (Furtado et al 2013 ). This methodology measures policy efforts and performance accruing. It also reflects a more coherent choice given the choice of the 1990 as the base year in which initial conditions of most African countries was considered arbitrary and targets considered unrealistic (Van der hoeven 2012). Importantly the acceleration observed in the MDG social indicators in the period 2005-2010, mentioned above, indicate the catalytic effect of coordination of public policies and anchoring global targets in national planning frameworks. The preliminary results of 12 African countries MDG planning[7] show that the best three performances in terms of the distance covered and efforts made were African LDCs (Keita et al 2016).

The performance of Mali, Ethiopia and Tanzania as the best overall performers can be disaggregated by the 13 indicators[8] that have posted complete data. It is important to observe that under five mortality a variable for HAI, the IPoA and the MDGs has featured as the indicator that has made most progress in the three best performer countries. Net enrolment in primary school cycles is the second best performer in the three best performers which is similar to the IPoA variable and is the most significant contributor to secondary enrolment and adult literacy of the HAI variables. In short, the progress towards similar variables through the MDG national planning framework attests to its importance and how this could be used for more LDC specific variables.

The features of modalities and instruments used in anchoring the MDGs in national planning by the three African LDCs that have shown the most progress provide some insights on graduation potential. For example, in Tanzania the MDGs became part of the targets adopted in their planning process named Mkukuta. The Opportunities and Obstacles to Development (ODD) that ensured a participatory approach to planning was adopted in Mkukuta in Tanzania and local level buy-in. In Mali the MDG targets were anchored to the 10 year national Plan 2006-2015 and used to effectively estimate unitary costs of delivery and a decentralization plan to ensure MDG spending at local level. In Ethiopia, the third best performer, the MDGs were mainstreamed into the Plan for Accelerated and Sustainable Development to End Poverty (PASDEP) based on the exercise of baseline and forecast analysis ensuring the consistency between the MDG and national targets. Therefore the best performers all African LDCs whilst actively pursuing the MDGs were making significant inroads to the HAI and IPoA through planning. Finally, the human development indicators are possibly the most prone to policy interventions, unlike the Economic Vulnerability Index (EVI). It is also worthy to mention that in the simulations

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[7] In 2011, ECA commissioned 12 country studies on MDG Based Planning namely: Benin, Cameroon, Cote d'Ivoire, Democratic republic of Congo, Egypt, Ethiopia, Ghana, Mali, Morocco, Nigeria, Sudan, Tanzania.

[8] The indicators are $I_1$: Net enrolment ratio in primary education (Goal 2); $I_2$: Proportion of pupils starting grade 1 who reach last grade of primary school (Goal 2); $I_{3-5}$: Gender Parity Index: (Ratio of girls to boys) in prim, sec and tertiary education (Goal 3);$I_6$: Under-five mortality rate (Goal 4); $I_7$: Infant mortality rate (Goal 4); $I_8$: Proportion of 1 year-old children immunized against measles (Goal 4); $I_9$: Maternal mortality ratio (Goal 5); $I_{10}$: HIV prevalence among population aged 15-24 years (Goal 6); $I_{11}$: Incidence, prevalence and death rates associated with tuberculosis (Goal 6); $I_{12}$: Proportion of population using an improved drinking water source (Goal 7) $I_{13}$: Proportion of population using an improved sanitation facility (Goal 7)

conducted the HAI-GNI combination remains the most likely combination for potentially graduating African LDCs (UNCTAD 2016).

The Economic vulnerability Index is designed to capture the relative risk to exogenous shocks and is composed of two indices. The exposure index has 5 variables namely population; remoteness; merchandise concentration; share of agriculture, forestry and fisheries and share of the population in low elevated areas with a weighting system of 1/8 to population, remoteness and share of population in coastal areas and 1/16 for merchandise concentration. The second leg of the EVI is the shock index and is drawn from three variables, namely instability of exports of goods and services; victims of natural disasters and instability of agricultural production with respective weightings of 1/4 1/8 and 1/8. The very nature of the exposure and shock indices as components of the EVI are prone to slight changes and timely reaction to policy changes. The point however remains that this seems to be at odds with propitious strategies to exit the LDC category and is inclined towards identification rather than graduation.

A number of observations emerge. The planning process elicited in the MDGs post 2005 has accelerated progress towards most of the social indicators in African countries. In turn, African LDCs as the majority of African countries have also accelerated in a similar fashion. First of all, the acceleration partly due to a propitious planning process was anchored on the MDGs rather than LDC specific programme of action. The similarities between most of the social indicators of the MDGs and the constituent part of the HAI signifies that achieving the former would improve performance in the latter. Secondly, the variation in performance in terms of the social indicators of the MDGs and the components of the HAI do not differ much between African countries and African LDCs. This brings to the fore the level of the structural handicaps rather than its presence or otherwise in Africa in embarking on a transformative agenda. Finally, the most relevant observation is the adherence to the MDGs-a global framework- and its domestication at national level. The use of the various programmes for LDCs have not followed suit in Africa. The similarity but not the identical nature of LDCs programmes and MDGs framework has had a higher political commitment to the latter. The relative absence of LDC programmes of action in African national planning mechanism stems from two distinct yet interrelated factors. The first is that the political clout which galvanized national policies and interventions including their coordination was induced by the MDGs but marginalized LDCs related programmes of action. The second is the past and current work on LDCs was and is based more on identification of the category and international support measures rather than exiting their category.

These take on increased resonance now in the Agenda 2030 on Sustainable Development Goals and African Vision Agenda 2063. In both development agendas structural transformation is at their core. The presence of economic, social and environmental pillars in both development frameworks makes them more comprehensive and all-encompassing than the previous social indicator focused MDGs. The new agendas had as their kernel the shift towards domestic policies and financing (UN 2015). In terms of the least developed countries in Sustainable Development goals reference is made to the amount of development aid 0.15-0.2 percent of the of official development assistance should be allocated to LDCs. This is reiterated in the Addis Ababa Action Agenda on Financing for development wherein "We reaffirm that least developed countries, as the most vulnerable group of countries, need enhanced global support to overcome the structural challenges they face for the achievement of the post-2015 development agenda and the sustainable development goals" (UN 2015). The LDCs and African LDCs for that matter are subsumed as a specific case, as was previously, but within a new transformative agenda that aims to diminish structural handicaps.

At the continental level, the SDGs and the Vision 2063 have been earmarked as in need of being streamlined into national planning mechanisms. This political commitment again seems to obscure the LDCs programmes or at least to sideline them to a less important role. Given the new agendas and the past history of African LDCs it evokes a different track if graduation is a first step towards structural transforming their economic structures.

## Section III: Policy Considerations

The acceleration observed in performance of social indicators through the use of national planning processes indicates some new policy directions for African LDCs. The priorities of the African LDCs through the IPoA has a strong coherence with the SDGs and Africa 2063 in the social areas of education, health and empowerment of women among others. In Africa, there is a current policy call to anchor the global and continental agendas in national planning mechanisms. The comprehensiveness of these new development agendas does require increased capacity in the domestication of these agendas. This capacity, given the similarities between these larger agendas and the LDC related one, should be used in ensuring current IPoA and future programmes become an integral part of national plans of African LDCs.

The competing agendas from a political point of view can be somewhat overcome through time bound targeting. The achievement of the targets of the IPOA can be a short and medium term agenda that moves towards larger term goals of structural transformation. This gains importance as the commitment to structural transformation, endorsed at the continental level should be matched by the political leadership and commitment in national strategies towards the LDC specific programmes. The presence of LDC related programmes within planning modules would increase national ownership of the agenda and reinforce commitment.

The link between programmes of Action for LDCs and in particular African LDCs with graduation criteria needs to be strengthened in terms of coherence. The target of 50 percent graduation of LDCs to graduate by 2021 is unlikely to be achieved. Achieving the graduation and surpassing the graduation thresholds as has been pointed out should be a step towards structural transformation or termed elsewhere graduation with momentum. The graduation criteria need to be designed in conformity with employment and productivity sectoral shifts typical of structural transforming economies.

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